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# Inquiry ensnares mortgage company

Kansas officials cite Reis Enterprises

By MARK DAVIS  
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Kansas banking officials have ordered the revocation of a local mortgage company's license and a \$235,000 fine amid claims of fraud. A state order issued earlier this month said Reis Enterprises Inc. in Kansas City had "altered at least 19 appraisals that were submitted to lenders" in violation of state law. Kevin Glendening, deputy bank commissioner, said the state was continuing its investigation.

The order also named Justin Cahow, who was identified as president of the company. "Justin Cahow is assisting the state in its investigations of others," said Matt Geiger, an attorney representing Cahow. Geiger would not say who the "others" were or whether they were connected to Reis Enterprises. He said his client and the company had requested a hearing on the order. Geiger said the state's order would not take effect before the hearing, which has not been set.

The state's cease and desist order would ban Reis Enterprises, Cahow and all others connected with the company from engaging in the mortgage business. It would also bar them from applying for a license in the future.

Glendening said the mortgage company had altered appraisals so that loans would be acceptable to lenders. Specifically, the doctored documents showed a lower loan-to-value ratio on the loans than was the case, Glendening said. Lenders frequently limit how much they will lend relative to the value of a property being mortgaged.

The cease and desist order also charged that Reis Enterprises had failed to keep and maintain documents relevant to the mortgage business and required by state law, had failed to disclose to customers its broker spread on the loans as required in a good faith estimate under state law and had employed loan originators who were not licensed by the state. The order said at least 15 loans had been made at Reis Enterprises by employees who were not registered with the state as mortgage originators.

Separate actions against five individuals ordered them to cease and desist from the mortgage business and levied fines of various amounts on charges that they had worked on mortgage loans for Kansas customers without being "a properly registered loan originator" in the state.

Gary Shartzter was ordered to pay a \$35,000 fine. Joe Savaglia was ordered to pay \$15,000. Sandi Harkins was ordered to pay \$10,000. Muriel Echols was ordered to pay \$5,000. Jeanette Forrester was ordered to pay \$5,000.

Shartzter, contacted Thursday, said he was unaware of the state orders or any questions of fraud at the company. He also said he had not been involved in the mortgage business for some time, but he would not be specific.

Others could not be reached for comment.